Statement

Total Swarozgaris Assisted and Total Investment under the Swarnjayanti Gram Swarozgar Yojana in Muzaffarpur District of Bihar during 1999-00, 2000-01 and 2001-02

(Rs. in Lakhs)

Year	Total Swarozgaris Assisted (Numbers)	Credit Disbursed	Subsidy Disbursed	Total Investment
1999-2000	2610	336.08	142.40	478.48
2000-01	6054	610.64	248.71	859.35
2001-02	6572	591.32	278.10	869.42
TOTAL:	**15236**	**1538.04**	**669.21**	**2207.25**

Restructuring the Power Sector

*355. SHRI RAMAMUNI REDDY SIRIGIREDDY: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the power sector is facing do or die situation;

(b) if so, what steps the Ministry are taking or propose to take to restructure the power sector to make it commercially viable;

(c) whether it is also a fact that the SEBs losses amount to 1.8 per cent of the GDP of the country; and

(d) if so, how the Ministry propose to recover the dues from the SEBs?

THE MINISTER OF POWER (SHRI SURESH PRABHU): (a) to (d) Power sector is passing through a critical phase. The Gross Domestic Product (GDP) at current price during the year 2000-01 was Rs. 18,78,429 crores. As against this cumulative commercial losses of SEBs upto March, 2001 (without subsidies) were Rs. 26,013 crores (1.38 per cent of GDP).

Government of India has recently approved a scheme for liquidating the present and future outstanding dues of the CPSUs against SEBs. Under the scheme 60% of the interest/surcharge on

the delayed payments as on 30.09.2001 would be waived off and the rest of the dues would be securitised through tax-free bonds issued by the respective State Government.There would also be incentives to the States for timely payment of current dues.

The Ministry of Power after wide ranging consultations with all stake holders namely state governments, State Electricity Boards, utilities, experts, trade unions, private investors and political leaders has evolved a compressive and detailed action plan for turning around the power sector. A broad strategy for this purpose was finalized in a Conference of Chief Ministers/Power Ministers taken by the Prime Minister on 3rd March, 2001.

To tackle the problem of technical inefficiency at the level of distribution involving erratic power supply, frequent distribution transformer failures and low voltage with high technical losses, the Govt. of India has stepped into assist the States under the new Accelerated Power Development Programme (APDP). In the first phase of this programme 63 distribution circles in the States have been taken up for intensive upgradation. These identified circles are being developed as "Centres of Excellence" so as to serve as models for remaining distribution circles in the country for improvement in a phase manner. This programme has now become the Accelerated Power Development and Reform Programme (APDRP) and also provides for transitional financing. In this programme the Govt. of India had made an allocation of Rs. 3500 crores during 2002-03. The programme is being monitored by central level consultants who are required to undertake field level inspections. The intention is to replicate this programme in all the distribution circles of the country gradually.

To support the reform efforts of all the States the Centre has been entering into MOUs with the states. These are State specific. In the MOUs, which have been signed by 21 States so far, the concerned States have committed to achieve milestones in reforming the power sector. The milestone include setting up of the State Electricity Regulatory Commission, timely payment of subsidies, metering of all 11 KV feeders, 100% metering of consumers, energy audit, reduction

of technical and commercial losses etc. Government of India has committed its support through additional allocation of power from Central Generating Stations, assistance for development of transmission system and financial assistance.

A mechanism has been institutionalized for intense monitoring of the capacity addition programme both in the Central Sector as well as in the State Sector. The progress is being reviewed regularly. With the provision of adequate Plan funds and close monitoring, performance in capacity addition in the Tenth Plan is expected to show considerable improvement. Renovation and modernisation of existing plant is given priority. With the other measures for reducing technical losses in distribution and demand side management through energy efficiency and energy conservation, it should be possible to make the country free of power shortages. Basin-wise ranking studies have been undertaken by CEA so as to optimally utilize the total potential of feasible hydro projects over next few decades.

Standing Committee on training has been consituted to formualte National Action Plan for Power Training. The Committee has submitted its report. A Committee has been constituted to draw up a perspective research and development plan.

The Conference of Chief Ministers held on 3rd March, 2001 resolved that Village Electrification may be completed by the end of the 10th Plan i.e. by year 2007 and full coverage of all households may be targeted for the end of the 11th Plan *i.e.*, by year 2012.

Rural electrification has not been included under Prime Minister's Gramodaya Yojana (PMGY) from the year 2001-02.

In the Chief Ministers Conference, it was agreed that there is urgent need to depoliticise power sector reforms and speed up their implementation. To explain the problems of the power sector and the action that is required for resolving these problems, road shows have been organized across the country for generating public awareness and understanding. More than 2000 road shows have been organized at the district level all across India. This has been considered necessary, as, without public understanding and support, it would be

difficult to implement to meausres necessary for turning around the financial and operational health of the power sector.

The forward looking reform oriented electricity Bill 2001 has been introduced in Parliament. The Bill, *inter-alia*, contains stringent provisions for penalty in case of power thefts. The Bill also includes provision for reduction of cross subsidies, and for payment of subsidies up front by the State Governments to the State Power Utilities where such subsidies are considered unavoidable.

Subsidised Power supply to agriculture

*356. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of POWER be pleased to state:

(a) whether subsidized power supply to agriculture is only benefiting the large and affluent farmers who own electric pumps;

(b) whether Government have made any survey or assessment in this regard;

(c) if so, the details thereof;

(d) whether State Governments are being advised in this regard; and

(e) if so, the details thereof and steps proposed so that benefit reaches small and poor farmers equally?

THE MINISTER OF POWER (SHRI SURESH PRABHU): (a) to (e) Electricity is a concurrent subject and distribution is the responsibility of the State Government. Retail tariff is determind by the State Electricity Regulatory Commissions (SERCs) or by the State Government/State Electricity Board where Regulatory Commissions have not been set up.

Supply to agriculture sector in the country is by and large subsidized. Even in States where SERCs determine tariff, the law empowers the State Government to give subsidies to a targeted group, if it so desires. The World Bank in its report on "Power supply to agriculture: case studies of Haryana and Andhra Pradesh" has observed that the electricity subsidy exclusively benefits electric pump owning farmer especially the medium to large farmers as they